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Candace Havens
Director

WORKING SESSION MEMORANDUM

DATE: August 10, 2012

TO: Alderman Marcia Johnson, Chairman
Members of the Zoning and Planning Committee

FROM: Candace Havens, Director of Planning and Development
Seth Zeren, Chief Zoning Code Official 

RE: #162-12: THE ECONOMIC DEVELOPMENT COMMISSION requesting a one-year moratorium, starting immediately, where no bank shall be allowed to be built or opened for business on the ground floor of any building in any Business District within the city unless granted a Special Permit from the Board of Aldermen.

MEETING DATE: Working Session on August 16, 2012

CC: Board of Aldermen
Planning and Development Board
Donnalyn Kahn, City Solicitor

EXECUTIVE SUMMARY

Since 2007, the number of FDIC-insured bank branches in the City has increased by approximately four branch locations. This increase in banks, particularly visible in a few villages, prompted the Economic Development Commission (EDC) to begin a conversation on the impact of banks on the retail mix and vitality of Newton's village commercial centers. The proposed docket item is not meant as a permanent measure, but rather to create a temporary "oversight period" to slow down the opening of new banks and give the Board time to consider zoning changes that can address the overall vitality of Newton's villages. The proposed special permit oversight period would require new banks locating where no bank currently exists to obtain a special permit from the Board of Aldermen; existing banks would not be subject to this requirement.

At the previous Zoning and Planning Committee working session on July 16, the Planning Department presented an initial analysis of the impact of banks on retail vitality. Since that working session, the Planning Department met with representatives of local banks and the Chamber of Commerce to get their perspectives on the matter. The bank representatives noted that banks provide many benefits to the local business environment, including generating significant foot traffic during business hours and providing commercial lending services. They also considered themselves to be stable tenants and anchors in their respective communities and also expressed their strong preference for maintaining a presence at street level, preferably by right.

In considering the nexus between the number of banks and their role in village vitality, Planning staff has outlined a potential “Village Vitality Project” that could comprehensively address such concerns through a combination of zoning changes and non-zoning interventions. At this juncture, the Board must decide if it wishes to further evaluate the causes, effects and incentives for village vitality over the next year (including discussion about parking and overlays) and the role the banks play, and whether it wishes to put in place a special permit requirement for banks in the meantime. If an oversight period is desired, the Board may want to focus on the two or three village centers where there is the most concern, so that new banks could easily enter the market where there is a local need.

ANALYSIS

Discussion with bank representatives

On Thursday July 19, members of the Planning Department and the EDC met with representatives from Cambridge Savings Bank, Century Bank, Dedham Savings Bank, Watertown Savings Bank, Rockland Trust, Needham Bank, Village Bank, People's Federal Bank at Century Bank in Newton Centre. Chris Steele from the EDC introduced the intent behind the petition to support the vitality of village centers by regulating the retail mix, and staff provided additional context. The representatives expressed a shared concern that banks were being unfairly characterized as harming village centers, rather than being key partners in their vitality and all agreed that a street-level presence was very important to them. The representatives noted that banks draw many customers during their open hours who may also patronize neighboring businesses, pointing out that the traditional “bankers hours” have been extended to evenings and weekends for many. Several representatives questioned whether an increase of four banks over the past five years and other research presented were evidence of a significant impact. The conversation moved toward considering how to “focus on the positive.” There was agreement that banks serve a vital function in the community by providing financial services not only to customers, but also to merchants and property owners. Some banks, including Century Bank in Newton Centre have conference or community rooms that can be made available to community groups for meetings. Furthermore, some areas of the City, particularly Newton Highlands and Nonantum are seen having an unmet banking demand.

What makes villages vital?

During the previous working session the, members of the Committee and staff raised the overall question of “what makes villages vital?” Vitality can mean many things to different people and definitions of vitality may differ from village to village, there are certain well understood urban design and planning principles for creating vital places. Vitality starts with people and many points of interest. Vital areas draw visitors through a dense mixture of active uses and events with opportunities for work, shopping and play throughout the day and week, and provide interest for people of all ages and abilities. Vital areas also provide a safe, attractive environment with green spaces, places to sit, and other features so pedestrians can linger, greet each other, and visit several businesses in one trip. Density can also be important by providing foot traffic and eyes on the street from overhead apartments above shops.

Building off these fundamentals, the vision of vitality that each village chooses to pursue can vary in style and substance. One village may prefer to emphasize an active night life with restaurants and entertainment venues that may be less active in the morning hours, while another village focuses on providing service and retail needs

of residents in the vicinity, while yet another emphasizes more urban-style living with upper-story apartments near transit and other amenities nearby. The 2007 *Comprehensive Plan* calls for developing detailed “place-centered” village plans to guide future zoning and land use patterns, infrastructure investment, and business growth. This village planning process would include identifying a community definition of “vitality” for each village in turn.

Main Streets Program

The Main Street Program is one approach some communities have taken to address issues of village revitalization or vitality. The National Trust for Historic Preservation operates a Main Street Center that provides resources and coordination for accredited Main Streets programs. Main Streets organizations are typically freestanding nonprofit organizations or associated with existing community organizations that focus on collaboration between business and property owners to beautify and promote a business area. The success of the Main Streets model highlights the importance of combining regulatory reform with non-regulatory coordination and promotion. To achieve accreditation, a Main Street program must meet specific requirements, including incorporating the organization in coordination with the regional coordinating program, hiring a full time Main Street Coordinator, appointing a Board of Directors, and regular reporting at the regional and national level. Accreditation and membership provide access to information, best practices, and consulting services supplied by the National Trust. However, many of the tools and concepts employed by Main Streets programs are well understood in downtown planning practice generally, and whether or not Newton chooses to become “official” participants, there is a wealth of information and guidance available which City staff could employ to implement Main Streets strategies.

NEXT STEPS

If the Committee decides that the bank oversight period is necessary, staff will craft appropriate docket language for public hearing. Whether or not the Committee decides to initiate this intervention, village planning work could begin with development of a planning strategy, which would include developing an understanding of the existing conditions and community expectations in each village, as they relate to the question of vitality and an outline of different ways to address vitality concerns, whether legislative or non-legislative. Creation of village plans could emerge from this work and could coincide with the zoning reform work that is planned for the following year.